

people's lives. Will Washington collect money and dole it out as we see fit? Or are we going to leave it in the taxpayers' hands, at least 25 percent of the amount of money about which we are talking?

It is not this tax cut that is dangerous. What is dangerous is a government that can never, ever go but in one direction: eating a bigger and bigger percentage of what we produce in this country. What is dangerous is an administration that will use this kind of debate to mask over the fact it is not willing to face up to timely problems. That is what is dangerous. I think the American people see that.

I think the American people support this bill. I support this bill and urge its passage.

The PRESIDING OFFICER. The time of the Senator has expired. Who yields time?

Mr. BAUCUS. Mr. President, how much time is remaining?

The PRESIDING OFFICER. The Senator has 16 minutes.

Mr. BAUCUS. I yield all 16 minutes to the Senator from West Virginia, Senator ROCKEFELLER.

The PRESIDING OFFICER. The Senator is recognized.

Mr. ROCKEFELLER. Mr. President, I am here in the hopes of convincing my colleagues to oppose the \$792 billion tax cut, which is based on a premise of a projected surplus of \$996 billion. We have just heard a speech which basically attacked everything President Clinton has done and stayed away from the tax cut debate itself, and that is shaping up as somewhat of a pattern.

I am also here in the hopes of convincing my colleagues that the only prudent fiscal course, the only way you can strike a blow for our constituents and for our country and for our place in this world, is by taking advantage of this, what I consider to be almost certainly a once-in-a-lifetime chance to take the projected surplus and use whatever actually accrues from that to pay down the national debt.

It is very odd to me that the Republican Party and Democratic Party almost seem to have switched. The Democratic Party appears to be the party of fiscal responsibility. The Republican Party wants to be the party of political expediency. That is a political statement on my part. I apologize for that, but I have to make note of my understanding of what has happened in the last several years.

I think we should take this money to take down the debt. I think we should use it to save for Medicare and Social Security's future. I think we should position ourselves to be able, as Alan Greenspan has suggested, if we see the surplus coming in the future years in the way that we want, to then do a meaningful tax cut—once we have put our fiscal house in order. Remember all the talk about getting our fiscal house in order? That is all we talked about in 1990, 1991, 1992, 1993. That was the talk—most of it from the other side.

We are almost there. Now we have come to the point where we can actually get over the hump, position America well for the future, and my colleagues, at least some of them, want to blow all of this investment of effort and discipline we have made with a huge tax cut spending spree which the American people are not asking for, nor is American business asking for.

First and foremost, let's recognize the \$996 billion surplus only exists—and I hope my colleagues will pay attention to this—only exists if you assume that Congress will cut \$775 billion in real dollars over the next 10 years from programs that the American people want and need.

Does that mean we are adding on new programs? No. That is programs that already exist, that are already under the budget caps and already below expenditure levels of where they ought to be. So that surplus exists only if we cut an additional \$775 billion from programs, which I will discuss in a minute.

That \$775 billion in cuts is itself almost equal to the size of the Republican-proposed tax cut. That should tell you something about the tradeoff here, whether the tax cut numbers really add up. Deep, deep cuts would be required in seniors programs, education, transportation, veterans—just about every area of the Government—an average of over 30 percent if we are to enact a \$792 billion tax cut the American people are not asking for.

By deep cuts I mean the kinds of cuts in programs that provide health care to veterans. People talk about veterans and then run away from their obligations to them. Or child nutrition—we all talk about children. They will have to be cut by more than 40 percent in real terms if the Republican tax cut is enacted. This assumption is ludicrous. It is ludicrous. It is a sham that a massive tax cut of either \$792 billion or, the so-called more moderate approach, the \$500 billion—they are both shams. They both have the same results. They both cause us to reverse course on fiscal discipline and responsibility, not just to the American people today but to future generations.

We should all have the courage to admit that now, before the Senate makes a mistake of historic proportions, we are subsuming our responsibility to the social fabric of America as we cast our votes. That kind of debilitating discretionary cuts cannot happen in an integrated and united America. The American people will not stand for it. I believe the projected \$996 billion will not materialize. That is my personal view. I do not believe it will happen. But the tax cuts will kick in and they will be there. I believe once again we will get into the situation of spiraling deficits that we have tried so hard—going back to the structural impediment talks with Japan, and then the discipline the folks on this side of the aisle exercised in 1993—that all of us have tried to exercise.

Fiscal responsibility—corporate America has done it. Now Government is in the process of doing it. We have eliminated the deficits. We have a chance to eliminate the debt, something that has never even been contemplated before. Now we are going to blow it on a Republican tax cut which the people do not ask for.

Well-respected economists estimate that there would be probably cumulative deficits of maybe \$821 billion in the non-Social Security budget over the next 10 years if the Senate Finance Committee's tax packets were enacted. It is a lot less than what is projected. That should be reason enough to rethink a vote for this tax cut package, or any tax cut package of such gigantic proportions.

Let me take a minute or two to outline what I think would happen to our economy if a massive tax cut were enacted. Let us consider what would happen if we actually voted to reduce taxes by \$792 billion. Forget the inequity of distribution. I can go into that, but I will not now. Forget the cruel, gross, greedy inequity of that distribution of taxes.

No. 1, if you vote for a \$500 billion or \$792 billion tax cut, which would undoubtedly further stimulate spending, it is inconceivable to me or any rational person in this Chamber that the Federal Reserve would do anything other than raise interest rates. I listened to Alan Greenspan this morning as Republicans tried to pin him into corners, yet he kept coming back to the point that this is not the time to do it. Do not do it now. There will be consequences if you do it now. Do not make the tax cuts now. This is not the time.

The Chairman of the Federal Reserve, Alan Greenspan, clearly says that. It is not the time for massive tax cuts. If you credit him, as I think most of us do, with being a part, along with the fundamental force of the private sector, of our booming economy, then you should consider what he has to say. One listens closely to every word he has to say because he has not missed one yet. Greenspan said just this week:

The first priority in my judgment should be getting the debt down, letting the surpluses run, and to, as has been suggested here—[I am quoting Greenspan; this is all him]—put in contingency plans so that in the event that all of this is happening, you could move forward later, at a later date, with tax cuts.

No. 2, let's examine what an increase of tax reductions would do, let's say, with a 1-percent increase in the interest rates by the Federal Reserve. In West Virginia it would mean the average home mortgage holder with an adjustable rate mortgage of \$60,000 would pay \$456 more every year for that mortgage.

The average student loan payment, based upon \$11,800 owed, which is typical, would cost the average student \$70 more a year. Add those up, and an average person in West Virginia will have